

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL MEMORANDUM

HB 1349 – SB 1375

April 21, 2009

SUMMARY OF AMENDMENT (006746): Changes the proposed threshold when natural gas companies are required to file rate review cases with the Tennessee Regulatory Authority (TRA).

FISCAL IMPACT OF ORIGINAL BILL:

(CORRECTED)

Increase State Revenue –

Exceeds \$368,100/Tennessee Regulatory Authority

Increase State Expenditures –

Exceeds \$100,000/Tennessee Regulatory Authority

\$268,100/Office of Attorney General

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

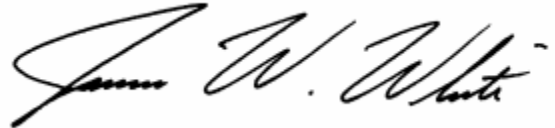
Assumptions applied to amendment:

- Under the original language of the bill, if in any one year the requested revenue increase to a natural gas company, which results from the annual rate review, is greater than four percent of the utility's total revenue, the utility must file a rate case pursuant to Tenn. Code Ann. § 65-5-103.
- Under the bill as amended, if in any one year the requested revenue increase to a natural gas company, which results from the annual rate review, is greater than five percent of the utility's total revenue less gas cost, the utility must file a rate case pursuant to Tenn. Code Ann. § 65-5-103.
- Based on information provided by TRA, changing the proposed threshold when natural gas companies are required to file rate review cases will not change the fiscal impact estimated for the original bill.

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CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc